

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Banker License of:

No. 10F-BD161-SBD

3 **AMERICAN MORTGAGE SPECIALISTS,**  
4 **INC. and SCOTT N. POWERS, PRESIDENT**  
16100 N. Greenway Hayden Loop, Suite 108  
Scottsdale, AZ 85260

**ORDER OF SUMMARY SUSPENSION  
AND NOTICE OF OPPORTUNITY FOR  
HEARING**

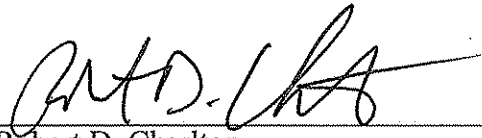
5 Respondents.  
6

7 The Arizona Department of Financial Institutions (the "Department") hereby finds that  
8 American Mortgage Specialists, Inc. and Scott N. Powers, President, ("Respondents") have violated  
9 the provisions of the Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and finds that  
10 the public health, safety and welfare require emergency action pursuant to A.R.S. §§ 6-945 and 41-  
11 1092.11(B).

12 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona mortgage banker  
13 license held by Respondents. **This suspension is effective immediately.**

14 EFFECTIVE this 2nd day of June, 2010.

15 Lauren W. Kingry  
16 Superintendent of Financial Institutions

17 By   
18 Robert D. Charlton  
19 Assistant Superintendent of Financial Institutions

20 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes  
21 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby  
22 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The  
23 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the  
24 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and  
25 shall identify with specificity the action or order for which review is sought in accordance with  
26 A.R.S. § 41-1092.03(B).

1 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or  
2 her own behalf or by counsel. If Respondents are represented by counsel, the information required  
3 by A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a  
4 Request for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for  
5 hearing in accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request**  
6 **reasonable accommodations such as interpreters, alternative formats, or assistance with**  
7 **physical accessibility.** Requests for special accommodations must be made as early as possible to  
8 allow time to arrange the accommodations. If accommodations are required, call the Office of  
9 Administrative Hearings at (602) 542-9826.

10 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.  
11 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled  
12 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an  
13 Informal Settlement Conference is requested, a person with the authority to act on behalf of the  
14 Department will be present (the "Department Representative"). Please note that in requesting an  
15 Informal Settlement Conference, Respondents waive any right to object to the participation of the  
16 Department Representative in the final administrative decision of this matter, if it is not settled. In  
17 addition, any written or oral statement made by Respondents at such informal settlement conference,  
18 including written documentation created or expressed solely for purposes of settlement negotiations,  
19 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules  
20 regarding informal settlement conferences.) Conversely, any written or oral statement made by  
21 Respondents outside an Informal Settlement Conference is not barred from being admitted by the  
22 Department in any subsequent hearing.

23 If Respondents do not request a hearing, this Order shall become final. If Respondents  
24 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the  
25 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the  
26 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time

1 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,  
2 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-  
3 132; (3) the suspension or revocation of Respondents' license pursuant to A.R.S. § 6-945; (4) an  
4 order to pay restitution of any fees earned on loans made in violation of A.R.S. § 6-901, *et seq.*,  
5 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or  
6 proper for the enforcement of statutes and rules regulating mortgage bankers pursuant to A.R.S. §§  
7 6-123 and 6-131.

### 8 FINDINGS

9 1. Respondent American Mortgage Specialists, Inc., is an Arizona Corporation  
10 authorized to transact business in Arizona as a mortgage banker, license number BK 0905487,  
11 within the meaning of A.R.S. §§ 6-941, *et seq.* The nature of American Mortgage Specialists, Inc.'s  
12 business is that of making, negotiating, or offering to make or negotiate loans secured by Arizona  
13 real property, within the meaning of A.R.S. § 6-941(5).

14 2. Pursuant to A.R.S. § 6-943(H), Respondents are required to have a surety bond in the  
15 amount set forth in A.R.S. § 6-943(H), or an alternative as set forth in A.R.S. § 6-943(K).

16 3. On April 19, 2010, the Department received a notification from Platte River  
17 Insurance Company stating that American Mortgage Specialists, Inc.'s surety bond, number  
18 41144518 in the amount of \$25,000.00, is to be cancelled effective May 20, 2010.

19 4. On April 23, 2010, the Department sent an email to Respondents, to the email address  
20 on record with the Department, informing them of the bond cancellation. The Department also  
21 notified American Mortgage Specialists, Inc. of the bond cancellation via the Nationwide Mortgage  
22 License System.

23 5. Respondents failed to provide documentation regarding the reinstatement of their  
24 bond or documentation of a new surety bond.

25 6. Respondents do not have the required surety bond in order to conduct business as a  
26 mortgage banker.

7. The conduct described above constitutes an immediate threat to the public health, safety, and welfare warranting immediate suspension of Respondents' mortgage banker license.

8. The conduct described above constitutes grounds for the suspension of Respondents' mortgage banker license.

LAW

1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to regulate all persons engaged in the mortgage banker business and with the enforcement of statutes, rules, and regulations relating to mortgage bankers.

2. By the conduct set forth in the Findings, Respondents have failed to maintain the surety bond required by A.R.S. § 6-943(H).

3. Pursuant to A.R.S. §§ 6-945 and 41-1092.11(B), the conduct described above constitutes an immediate threat to the public health, safety and welfare warranting immediate suspension of Respondents' mortgage banker license.

4. Respondents have not conducted business in accordance with the law and have violated Title 6, Chapter 9, which constitutes grounds for the suspension or revocation of Respondents' license pursuant to A.R.S. § 6-945(A)(7).

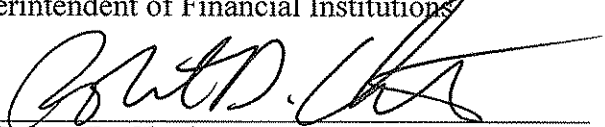
5. The violations, set forth above, constitute grounds for the pursuit of any other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage bankers in Arizona pursuant to A.R.S. §§ 6-123 and 6-131.

6. Pursuant to A.R.S. § 6-132, Respondents' violation of the aforementioned statutes is grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.

WHEREFORE, if Respondents do not request a hearing to contest the above Findings or produce evidence of a valid surety bond, Respondents' license shall remain suspended unless and until reinstated or until said license expires by operation of law.

1 DATED this 2nd day of June, 2010.

2 Lauren W. Kingry  
3 Superintendent of Financial Institutions

4 By   
5 Robert D. Charlton  
Assistant Superintendent of Financial Institutions

6 ORIGINAL of the foregoing filed this 2nd  
7 day of June, 2010, in the office of:

8 Lauren W. Kingry  
9 Superintendent of Financial Institutions  
10 Arizona Department of Financial Institutions  
ATTN: Susan Longo  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

11 COPY mailed/delivered same date to:

12 Craig A. Raby  
13 Assistant Attorney General  
14 Attorney General's Office  
1275 West Washington  
15 Phoenix, AZ 85007

16 Richard Fergus, Licensing Division Manager  
17 Robert D. Charlton, Assistant Superintendent  
18 Arizona Department of Financial Institutions  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

19 AND COPY MAILED SAME DATE, by  
20 Certified Mail, Return Receipt Requested to:

21 Scott N. Powers, President  
22 American Mortgage Specialists, Inc.  
16100 N. Greenway Hayden Loop, Suite 108  
Scottsdale, AZ 85260  
Respondent

23 Mark S. Sifferman, Statutory Agent  
24 American Mortgage Specialists, Inc.  
16427 N. Scottsdale Rd., Suite 210  
25 Scottsdale, AZ 85254

26 By: 